

## SOCIALIST REFORM OF AGRICULTURE IN CHINA

Pravda Moscow, 11 Jul 54

Γ

Liao Lu-yen

[Summary: The 'c ic group upon when socialization of agriculture in China depends is the poor and mich peasant group. Authorities expect that by 1957, 35 percent of peacant households cultivating to percent of the arable land in China will be organized under the socialization plan. The ultimate goal of the plan is to eliminate all sources of profit except those based solely on labor.

Agrotechnical stations and mechanized farms are being increased. Credit cooperatives among the peasants now number 9,400 with  $\delta$  million members.]

After completing the rehabilitation of the national economy, the People's Republic of China started in 1953 on planned economic construction. The Central Committee of the Communist party, headed by Comrade Mao Tse-tung, has put before the party and the people the following principal tasks for the period of transition: the gradual realization of socialist industrialization, and the execution of socialist reforms in agriculture, home industries, private trade, and industry.

In realizing the problems of the transition period, the broad masses of Chinese peasants display an unprecedented enthusiasm in starting on the road of joint work. The number of agricultural producer cooperatives and mutual aid labor teams is growing rapidly. The poor peasants take an especially active part in the growing movement for socialist reforms of agriculture. The middle peasants, who have come up from hired helpers and poor peasants after the agrarian reforms, also understand correctly which path they should follow, and take active part in the movement for cooperation. The leading forces in the movement for agricultural reforms are the poor peasants and the "new" middle peasants, who comprise between to and 70 percent of the rural population. The "old" middle peasants form about 20 or 30 percent of the village population. They waver between the two ways of development, the capitalist and the socialist, but turn more and more toward the socialist way. The number of kulaks is negligible in the Chinese villages: in the areas which have been liberated long ago, they represent about one percent, while in the areas liberated later, 2-4 percent. These trends in the development of class relations in rural areas are favorable to the cause of socialist reforms.

During the period from October 1953 to April 1954, i.e., during c months, the number of producer cooperatives in the country has increased more than sixfold, from 14,000 to over 90,000, and the number of peasants' farmsteads in them has grown from 273,000 to 1.06 million. Simultaneously with the growth of cooperatives, the number of mutual aid teams is also increasing. Over 50 percent of all the peasant households of the country are already members of these teams.

We expect that by 1957, the last year of the First Five-Year Plan, about 35 percent of all the peasant households and about 40 percent of all the cultivated areas of the country will be united in agricultural producer cooperatives. Producer cooperatives will become the basic form of agricultural production in North and Northeast China, and in other areas that were liberated earlier. During the next Five Year Plan the entire agriculture of China should, on the whole,

STAT

Γ

**STAT** 

be included in cooperatives. Socialist reforms in the rural areas of China consist in gradually leading the peasants to socialism through shifting from mutual aid labor teams, which represent the buds of socialism in rural areas, to agricultural producer cooperatives, which have a semisocialistic character, and then to cooperatives having a socialistic character (i.e., to kolkhozer). At the same time, while developing socialist industry, we also have the task of gradually bringing start the mechanization of agriculture on the base of coperation, thereby transforming it into a highly productive socialist economy equipped with modern machinery.

This is the way along which the Central Committee of the Communist Party of China is leading the Chinese peasantry toward a happy and prosperous life, on the base of the Marxist-Leninist theory, the experience of the Soviet Union in socialist reforms of rural areas, and combining it with the concrete conditions in Chinese rural areas.

As far back as 1943 Comrade Mao Tse-tung placed before the peasants the slogan: "Organize!" He pointed out: "For thousands of years the masses of the peasantry have been carrying on individual economy, under which each family, each farmstead forms a separate economic unit. This dispersed individual production is the economic base of feudal regimes, and condemns the peasants themselves to perpetual destitution. The only way to change this situation is gradual collectivization, and the only way to collectivization, as Lenin taught, lies in cooperation."

The agrarian reforms which have been successfully carried out on a country-wide scale after the victory of the people's democratic revolution, had a treme dous import on the creation of mutual aid teams. The peasants of previously liberated areas, who already had experience in organizing such groups, were especially active in this movement. The peasants of these areas began to set up agricultural producer cooperatives, the distinguishing feature of which was that the peasants brought in their land as their share and organized the work on the basis of a single management. In cooperatives of this nature the land and the tools of production remain the property of the members of the cooperatives, but a single management of the economy is effected. The income derived from the land, with the exception of a certain share which is set aside as payment for the tools of production, is divided among the members of the cooperative according to the quantity and quality of their work. Some cooperatives have already collected a certain amount of tools of production, draft animals, and other assets, which have become public property. Such cooperatives are of a semisocialistic nature.

In December 1953, the Central Committee of the Communist Part of China drew some general conclusions from the experience of 2 years of organizing cooperatives and resolved to develop cooperatives in rural areas, defining the ways to improve the work of agricultural producer cooperatives. The Central Committee of the Communist Party of China pointed out that agricultural producer cooperatives daily become more important as main links in the further development of the movement for mutual aid and cooperation. This decision has assisted enormously the development of agricultural producer cooperatives. With increased production there is a raising of the level of consciousness among the members of the cooperatives on whom the experience of working together and conducting their economies jointly has an educational effect.

Agricultural producer cooperatives, depending on the wishes of their members, can gradually decrease the payments for tools of production and increase the payments for labor up to the point that payment for the shares would be renounced by the cwners of shares and the profits would be distributed solely in accordance with labor, thus converting the system of private ownership of tools of production



-

STAT

into the system of collective ownership. Such a conversion would denote the transition from agricultural producer cooperatives of the semisocialistic type to a higher level, to socialist cooperatives, i.e., to kolkhozes. The country already has over 200 cooperatives of this type.

Lenin taught that nothing can be done by slogans alone in the realization of socialist reforms of peasant petty economies, that the bringing in of poor and middle peasants into the cooperatives should in no case be effected actions which may break up the union of the working classes and the peasantry. Therefore, one of our fundamental principles in bringing about cooperatives is to base ourselves always and everywhere on voluntary actions by the peasants.

On the basis of these directions we take into account in our day-to-day work the conditions of the peasants life: the spread of the ideas of socialism and cooperation through concrete examples. We explain that small individual economy has no future because it cannot carry out increased reproduction, that the only sure way for the peasantry is the way of producer cooperatives, the way of socialism.

In organizing producer cooperatives we aim to set them up as convincing examples for the masses of the peasants. By their nature peasants are practical, and therefore concrete facts are very convincing for them. The production of our cooperatives has increased and the income of the members of cooperatives has risen because of well-organized work. Thereby agricultural cooperatives have won the respect of the peasantry.

To assist the development of the cooperative movement the state gives substantial material assistance to agricultural cooperatives. In 1953, the state bank gave them credits amounting to 10 trillion yuan, which represents the cost of 5 million tons of grain; state trading organizations and supply and sales cooperatives sent a large amount of agricultural machinery and fertilizer to the rural areas; the amount of capital invested in irrigation construction represents about 3 trillion yuan, which equals the cost of 1.5 million tons of grain. In addition, a number of agrotechnical stations, including a few machinery and tractor stations have been set up over the country. Fifty-nine mechanized state farms have been organized, as well as over 2,000 state economies for hsiens and districts, which render real assistance to the peasants in improving agrotechniques and seed growing, and also demonstrate to the peasants

Financial assistance is given by the state not only to the cooperatives and mutual aid teams; individual peasants receive it likewise. By developing supply and sales cooperatives and credit cooperatives, by adopting measures to strengthen control of rural markets, we fight against the kulaks and against the elemental capitalistic forces of the villages. In our country, 150 million persons are united in supply and sales cooperatives. They are directed by state trading organizations and put at the service of agricultural production; they supply the peasants with tools of production and means of consumption, and helps them to dispose of their produce. This form of cooperation strengthens the ties between the small goods economy of the peasantry and the planned economy of the state, helps the planned character of supplying the peasantry with industrial goods, and also in the purchase of grain, cotton, and other raw materials for industry. Since last year, the state began planned purchasing and planned supplying with grain, and has categorically prohibited private trading in grain; before this the purchasing of cotton was actually done only by the state. This has reinforced the leading role played by the state in the rural markets and has weakened the position of capitalism in trading with

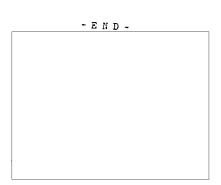


Sanitized Copy Approved for Release 2011/08/31: CIA-RDP80-00809A000700200082-7

Γ

STAT

Recently, credit cooperation has been rapidly expanding in the Chinese villages. At present, there are over 9,400 credit cooperatives having a membership of 6 million persons in the country. The share capital of there comany peasants to over 120 billion yuan. Credit cooperatives have helped of production, have delivered a blow to the village usurers, and have played of production, have delivered a blow to the village usurers, and have played out the General Line of the party in the rural area in the transition period, out ties with the middle peasants (including the "new" middle peasants), strengthen ation, and limit exploitation by the kulaks, which exploitation will eventually lagriculture in the future. On the basis of socialist industry we can insure ist economy.



**STAT** 

Sanitized Copy Approved for Release 2011/08/31: CIA-RDP80-00809A000700200082-7